

STATINTL

Approved For Release 2002/06/13 : CIA-RDP81B00878R000300010035-5

**AIR MATERIEL COMMAND**

BALLISTIC MISSILES OFFICE  
P. O. BOX 262  
INGLEWOOD, CALIFORNIA

16 July 1956

TO SPEED DELIVERY  
OF YOUR REPLY, PLEASE  
ADDRESS COMMUNI-  
CATION TO ATTENTION OF

MCPTP AMR:lou

**\*USAF Declass/Release Instructions On File\***

**SUBJECT:** Petition for Cancellation of a Portion of  
Assessment of Personal Property Tax for  
1956-57

**TO:** Colonel General F. Keeling  
AFMDC  
Room 4E262, Pentagon  
Washington 2, D.C.

1. In accordance with telephone conversation between Colonel Keeling and Mr. A.M.Rossbo on 13 July 1956, the Ramo-Wooldridge Corporation are filing an official protest of the assessment of personal property for 1956 - 1957, in connection with the performance of a cost-plus-a-fixed-fee type contract known as Contract A-101.
2. Attached herewith is copy of the Ramo-Wooldridge Corporation's letter of protest to the Board of Equalization, Los Angeles County, together with the certification of the undersigned Administrative Contracting Officer.
3. In the absence of Colonel O.J.Ritland, WDD(ARDC), the undersigned made the certification that Contract A-101, in fact, was a classified contract made with an agency of the Government of the United States of America.

Incl: R/W ltr Protest

*Alfred M. Rossbo*  
ALFRED M. ROSSBO  
AF Contracting Officer

Document No. \_\_\_\_\_  
Review of this document by CIA has  
determined that  
☒ CIA has no objection to declass  
☐ It contains information of CIA  
interest that must remain  
classified at TS S G  
Authority: E.O. 12958  
☐ "reasons" interest  
Date 2011-10-16 by 16/11/61

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THE RAMO-WOOLDRIDGE CORPORATION

5730 ARBOR VITAE STREET  
LOS ANGELES 45, CALIFORNIA

July 16, 1956

Board of Equalization  
Los Angeles County  
Hall of Records  
220 North Broadway  
Los Angeles, California

Petition for Cancellation of a Portion of  
Assessment of Personal Property for 1956-57

Gentlemen:

1. The Ramo-Wooldridge Corporation is a taxpayer Corporation organized under the laws of the State of Delaware and incorporated September 16, 1953. Taxpayer is engaged in the undertaking of Research and Development projects under contract to agencies of the United States of America and to commercial companies.

2. All of the contracts which the taxpayer has entered into with the United States of America for performance of Research and Development have been contracts which are known as the "Cost Plus A Fixed Fee" type. This form of contract provides for the contractor to undertake Research and Development projects under designated programs of work. In pursuing the objectives of these programs, the Contractor is authorized to incur costs for paying its employees for their time directly expended on these projects, for materials purchased as required in the Research and Development program, and for expenses of a general overhead nature. Under this form of contract, the United States Government agrees to reimburse the Contractor for costs incurred for these purposes, and in addition to pay to the Contractor a fixed fee for its services.

3. In view of the fact that all costs incurred under the Cost Plus Fixed Fee form of contract are reimbursable at parity by the Federal Government, all such costs are charged by this company to receivable accounts which show amounts due from the United States of America for reimbursement of such costs. Billings for these amounts are prepared weekly on United States Public Vouchers, and as funds in reimbursement are received from the United States Government, the necessary entries are made on the Contractor's books to indicate the elimination of the claim upon the Government by the receipt of cash.

Board of Equalization, Los Angeles County

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4. On the first Monday of March, 1956, this taxpayer had on its books certain claims upon the United States Government for fees and for reimbursement of costs incurred in connection with several contracts, including Research labor costs, general overhead costs properly allocable to the labor costs, services procured for direct use in specific contracts, and costs of property purchased for direct use in connection with the contracts. Included in these receivable amounts was the sum of \$109,100 which represented the amount of unreimbursed costs which the taxpayer had incurred in acquiring property for use directly in pursuance of the objectives of a particular contract with the United States, designated as Contract A-101.

5. On May 28, 1956, the Los Angeles County Assessor assessed to the taxpayer this unreimbursed cost receivable at an assessed valuation of \$49,100, as "Tangible Personality-Merchandise Inventory of Raw Material, Work in Process and Finished Goods Subject to Title in the United States Government." This assessment appears on the Supplementary 1956 Statement given to the taxpayer which refers to the Code Area for Tangible Personality as Map Book 1032 Page 1, Par. 4 and is signed by Deputy Assessor J. Sorrentino.

6. Taxpayer submits to the Board that the assessment referred to in paragraph 5 above is an erroneous and illegal assessment for the reason that the taxpayer does not have and never did have title to the material which was purchased for direct use in connection with the Contract designated A-101. Contract A-101 is a classified contract with an agency of the United States Government. The taxpayer has been authorized to state that the classified contract contains a clause which reads as follows:

"Title to all property purchased by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in the Government upon delivery of such property by the Vendor."

Attached hereto is a certification by the Administrative Contracting Officer assigned by the United States Government, which verifies that Contract A-101 is a contract with the United States of America and that the clause appearing above is included in Contract A-101.

7. Taxpayer therefore respectfully petitions the Board of Equalization to cancel so much of the assessment of personal property to the Ramo-Wouldridge Corporation as is represented by the amount of the \$109,100

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receivable due from the United States Government, assessed in an amount of \$49,100 as tangible personalty, on the grounds that such assessment is erroneous and illegal because the taxpayer does not have, and did not have on the first Monday of March, 1956, title to the property which was purchased for use under Contract A-101, such property having been purchased as property for the cost of which the taxpayer is entitled to reimbursement as a direct item of cost under Contract A-101.

Very truly yours,

The Ramo-Wooldridge Corporation

William F. Goodwin  
Controller

CERTIFICATION OF THE ADMINISTRATIVE CONTRACTING OFFICER


The undersigned, A. M. Rossbo, Administrative Contracting Officer, acting as the representative of the United States of America, does hereby certify that the Contract A-101 entered into by The Ramo-Wooldridge Corporation is a classified contract made with an agency of the Government of the United States of America. The undersigned also certifies that the following is a verbatim reproduction of a clause of Contract A-101:

Title to all property purchased by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in the Government upon delivery of such property by the vendor.

WFG:COG:jh

Rec: A. M. Rossbo  
R. B. Corpening

J A. Wedel

  
A. M. Rossbo  
Administrative Contracting Officer